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C O N F I D E N T I A L SECTION 01 OF 02 FREETOWN 000560

SIPDIS

DEPARTMENT FOR AF/W (JHUNTER/ESPRUILL)
DEPT PLEASE PASS TO MCC (MCHAKA/MHARRINGTON/SKRAHAM)

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TAGS: [EAID](#) [PGOV](#) [PREL](#) [SL](#)

SUBJECT: "WE HAVE THE WILL AND THE ENERGY" - GOSL MAKES
CASE FOR MCC

REF: FREETOWN 552

Classified By: Ambassador June Carter Perry for reasons 1.4 (b/d)

¶1. (C) Summary: Presidential Affairs Minister Alhaji Alpha Kanu paid a surprise call on Ambassador Perry on November 28 to advocate for Sierra Leone's inclusion in the Millennium Challenge Corporation (MCC) program. He informed the Ambassador that he visited the MCC offices on November 24 to discuss Sierra Leone's progress related to its FY09 scorecard, stating that it does not reflect current realities. Ambassador agreed with his assessment, noting improvements in several critical areas, such as anti-corruption. Kanu requested that Ambassador make a plea to the MCC for Sierra Leone to be given serious consideration for eligibility at the December board meeting. Post strongly supports Sierra Leone's interest and eventual inclusion in MCC. We also view the government's significant interest as an opportunity for the USG to not only advocate for responsible and effective development in key areas, but to also push for movement on critical issues that are currently stagnant, such as the unsigned Status of Forces Agreement. End Summary.

INCREMENTAL PROGRESS

¶2. (SBU) Kanu was understanding of the time-lag between the statistics that can be collected for the scorecard and present-day. That said, he pointed out several areas where significant improvements have been made, such as the strengthening of the Anti-Corruption Commission and passage of the revised law, the creation of an environmental protection agency, and a renewed focus on land rights. This progress, he said, is just the beginning of much larger changes to be implemented as part of the President's transformational vision. Kanu stated that the MCC categories and indicators match the government's priorities, and he is pleased that this scorecard reinforces that they are on the right-track.

¶3. (U) Kanu informed Ambassador that the President has established an MCC task force, which Kanu chairs, to ensure that Sierra Leone positions itself to take full advantage of the program. Besides Kanu, the task force includes key ministers, such as Foreign Affairs and Finance. He hopes that the task force and relevant line-ministries will receive technical assistance in the future, to further assist with harmonizing government policies and activities against the MCC indicators.

ONGOING DIALOGUE AND EFFORT

¶4. (U) Ambassador informed Kanu that she engages regularly with MCC leadership about Sierra Leone's position. Ambassador

Perry discussed the progress Kanu noted during October sessions with Ambassador Danilovich and MCC staff. She thanked Kanu for his continued interest in the program, and for the President's pro-active stance in creating the task force. She also noted that the new USAID program (PAGE) for Sierra Leone, totaling \$13 million, will assist the government in such areas as agriculture sector development, environmental conservation, and health. Through USAID's implementing partners, in conjunction with the Government of Sierra Leone (GoSL), this program will make a marked difference on the MCC indicators of concern. The Ambassador said she would be happy to reiterate this message to the MCC's leadership before their December board meeting. She would again request a technical assessment visit to Sierra Leone and recommend that an interim grant be considered in the future.

QUID PRO QUO: ENCOURAGING ACTION ON PENDING ISSUES

15. (C) Ambassador used the opportunity of the impromptu visit to bring her concerns about the pending NGO policy to Kanu's attention. Certain provisions, including the proposed taxation of expatriate NGO employees, are of concern to the USG. Further, a recent letter from American Refugees Committee (ARC), which alleged that the GoSL is trying to appropriate profits from its micro-finance operation, raised red flags at post and in Washington (septel to follow). Kanu was aware of both issues, and quickly informed Ambassador that "double-taxation" is not their intent, nor is the inappropriate seizure of NGO assets. He felt certain that the

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ARC situation is a "misunderstanding" and "miscommunication" on the part of GoSL, and will quickly be resolved.

16. (C) Ambassador will follow-up with Kanu to remind him of several other pending issues before the GoSL and President. In particular, the much-delayed and much-needed Status of Forces Agreement has languished on the Attorney General's desk for months, despite approval on all sides for signature. A request for expulsion of two alleged narcotics traffickers, who were indicted in New York, is also pending a decision from the President (reftel).

COMMENT

17. (C) For the upcoming board meeting, Post strongly urges that MCC make a commitment to sending the director of threshold programs to Sierra Leone for consultations and assessments as soon as possible. This would encourage the President's new task force, and provide them with valuable information about moving forward. Concurrently, post will continue to support the prioritization of activities that address the weaknesses identified by the MCC indicators. (Note: Post recognizes that with a change of administration, current support programs such as the MCC may be re-evaluated, but believes USG technical assessment of Sierra Leone's further development would be useful. End note.)

18. (C) Cont: Kanu was extremely forward in his approach during the meeting, from arriving at the embassy with less than an hour's notice to entreating the Ambassador for her assistance multiple times. He was also quick to accept the Ambassador's position on the various topics raised, such as the ARC issue. He made several references to inclusion in MCC being "for the good of the party," before quickly backstepping and saying "for the good of the country" (Note: Kanu is an important member of the APC party. End note.). No doubt he recognizes the political goldmine the MCC represents, and how the President and APC would benefit if Sierra Leone enters into a compact agreement before the 2012 elections. Kanu has not been post's primary interlocutor on

this issue in the past, but as the President's close advisor and de facto mouthpiece, his new and intense interest demonstrates that the MCC is one of Koroma's top priorities. Post can use the MCC as a substantial "carrot" to push the GoSL to action on other important bilateral issues. End Comment.
PERRY